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In the Matter of Interest Arbitration

Between

PERB Case No. 1083/2

PPME Local 2003

Before: Harry Graham

And

Johnson County Sheriff's  
Office

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**APPEARANCES:** For PPME:

Joe Rasmussen  
PO Box 219  
Solon, IA 52333

For Johnson County Sheriff's Office:

Lora Shramek  
913 South Dubuque St.  
Iowa City, IA 52240

Judith Perkins  
1321 Coll Dr.  
Iowa City, IA

**INTRODUCTION:** Pursuant to the procedures of the Iowa Public Employment Relations Board a hearing was held in this matter before Harry Graham. At that hearing the parties were provided complete opportunity to present evidence and testimony. The hearing was recorded per the rules of the Public Employment Relations Board. The record was closed at the conclusion of oral arguments on January 25, 2011.

**ISSUES:** There are two issues in dispute in this proceeding. These are:

1 Wages

2 Health Insurance

## **ISSUE 1, WAGES**

**POSITION OF THE UNION:** The Union proposes there occur a three percent (3.0%) wage increase effective July 1, 2011. In support of this proposal it points to a group of counties in Iowa it asserts to be comparable with Johnson County. These are: Linn, Scott, Black Hawk, Dubuque and Clinton Counties. County law enforcement personnel in each are represented, some by PPME and some by other labor organizations, e.g. AFSCME, Teamsters or Independent unions. Among those counties Johnson County's net taxable valuation for fiscal year 2011 comes in at about the midpoint. (Union Ex. 3). The County is unique in that Iowa City, the County seat, is the home of the University of Iowa and University Hospitals, a large teaching and research facility. Further, the County has escaped the worst of the recent economic travails. Population growth has been strong in the 2000-2009 period, up 17.5%. There is a large new shopping mall in Coralville, adjacent to Iowa City. That mall is the second largest in Iowa. Tax revenues have risen strongly and at the end of 2010 there was an expected budget carryover of almost \$23 million, representing almost 30% of total expenditures.

It is the case that the Employer has entered into agreements with other governments to create a Joint Emergency Communications Center. This has resulted in a de-appropriation of \$660,934 from the Sheriff. These funds are available to meet its proposed wage increase the Union contends. There can be no claim of inability to pay by the Employer. Tax revenues are rising and additional monies are available from the establishment of the Joint Emergency Communications Center.

The Union is mindful of the proposal of the Employer to institute premium payment for single coverage health insurance. Were that to occur there must be some

sort of *quid pro quo*. That is, an exchange must be made. The proposal of the Employer does not contemplate such an exchange. Not only that, the Employer is proposing a wage increase lower than that provided other County employees. (Union Ex. 23). All other represented groups in County service have received three percent (3.0%) for the year commencing July 1, 2011. Under these circumstances the Union contends its proposal is superior to that of the Employer and should be awarded.

**POSITION OF THE EMPLOYER:** The County is proposing there be a 2.75% wage increase occurring on July 1, 2011. In its view such an increase is reasonable. It exceeds the current rate of inflation as measured by the Consumer Price Index. Further, the proposed 2.75% increase exceeds that being made in comparable jurisdictions.

It is the case that members of this bargaining unit are compensated better than their colleagues elsewhere. There is no need for a "catch up" wage increase to restore comparability and equity among employees of various County Sheriff Offices.

Examination of pay for Johnson County employees versus that of their counterparts in the comparison group shows they reach the top scale at seven years and that the top scale exceeds that of comparable jurisdictions. Only deputies in Black Hawk County approach the pay of those in Johnson County and then only at 20 years of service. In addition, the proposal of the County exceeds settlements being seen in the comparison group. In no case has a settlement reached three percent (3.0%). On average (Excluding Black Hawk County where the outcome of negotiations is pending) settlements have been 2.47%. The proposal of the Employer exceeds the average settlement among comparable jurisdictions. No reason exists to award the three percent (3.0%) sought by the Union the Employer asserts.

**DISCUSSION:** The Code of Iowa at 20.22.9 sets forth criteria for interest arbitrators to consider in disputes of this nature. These include:

1. Past collective bargaining contracts between the parties including bargaining that led up to such contract.
2. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work giving consideration to factors peculiar to the area and the classifications involved.
3. The interests and welfare of the public, the ability of the employer to finance economic adjustments and the classifications involved.
4. The power of the public employer to levy taxes and appropriate funds for the normal standards of services.

The statute does not specify the weight to be given to any particular criterion in any specific dispute. Of necessity, the weight to any standard will differ according to the circumstances faced by the neutral. Important in this situation is the history of negotiations and intraemployer comparisons. It is the case that other represented groups in County service have agreed upon a three percent (3.0%) wage increase effective July 1, 2011. No cogent reason was advanced by the Employer why this group should be treated differently. That is particularly the case when the matter of the wage increase does not stand alone. As seen below, it is inexorably linked to the question of health insurance.

Union Exhibit 20 shows settlements to date in the comparability group. It includes such classifications as correctional officers, dispatchers and cooks. As Black Hawk County has not been resolved as of the date of this hearing it is excluded from Union Exhibit 20. The average increase is 2.93%, closer to the proposal of the Union than to that of the Employer. Internal and external comparability support the proposal of the Union. There is no question that the Employer can fund the proposal of the Union

without difficulty. Added monies have become available due to consolidation of the dispatch function with other jurisdictions.

Significant as well is the other issue in this proceeding: health insurance. As will be seen, the Employer is seeking to institute payment for single health insurance coverage. It is unjustifiable to propose a lower wage increase than that provided other County employees at the same time seeking to initiate payment for single health insurance coverage. The proposal of the Union, that there occur a three percent (3.0%) wage increase on July 1, 2011 is awarded.

## **ISSUE 2, INSURANCE**

**POSITION OF THE UNION:** In 2006 the parties instituted payment by employees towards family coverage health insurance. Initially \$12.50 per month, the parties agree it is to be \$40.00 per month commencing July 1, 2011. The issue in this proceeding is the payment, if any, towards single health insurance coverage. Presently employees with single coverage do not make payment. The Union seeks that status continue.

In County service there are bargaining units represented by AFSCME and PPME. Those represented by AFSCME pay \$7.50 per month towards single coverage health insurance. Those represented by PPME do not pay anything towards the cost of such coverage. The PPME represents many more employees than does AFSCME. Thus, institution of payment for single health insurance coverage will have a disparate effect upon PPME-represented employees.

In 2008 a similar situation arose in Dubuque County. In that year the Employer sought to institute employee payment towards health insurance premiums. It secured such agreement in the health care facility bargaining unit. Then it sought to extend the

concept of employee payment towards health insurance to other bargaining units. Fact-finding and interest arbitration ensued. The proposal of the Employer was rejected on the basis that there was no *quid pro quo*. That is, the Employer was not making any effort to depart from a normal wage and benefit settlement in order to secure its proposal for substantial change in the terms and conditions of employment. The extensive record presented by the Union in this proceeding demonstrates that a plethora of nationally known and respected neutrals determined that a *quid pro quo* was required for Dubuque to secure its proposal of employee payment towards health insurance premiums. No such *quid pro quo* was offered in Dubuque and none is offered in this situation. Further, Arbitrator Loeschen in Dubuque found that "Where there is contract language of long duration requiring Employer payment of health insurance premiums, a substantial *quid pro quo* should be offered to effectuate immediate change. This did not occur." (Quoted in Union notebook, no page number).

In 2005 Fact-finder John Sandy was confronted with the same issue with these parties. He rejected the proposal of the County for employee payment towards health insurance premiums. It was his view the financial benefits to the County were "negligible." The Employer is not offering a *quid pro quo*. Thus, its proposal should not be awarded according to the Union.

Further, comparability does not support the County. Of the jurisdictions in the comparison group two, Linn and Black Hawk, require employee payments towards single coverage health insurance. The other three counties, Scott, Dubuque, and Clinton do not. Considering Johnson County, four of the six comparable Iowa counties

do not require the payment towards single health insurance coverage being sought by the Employer.

It is the case that health insurance premiums in Johnson County are lowest among the comparison group for single coverage. The County is in very sound financial condition. The ending fund balance has increased in the first decade of this century. There is no need for the Employer to secure the employee payment towards single health insurance coverage. Thus, its proposal should be rejected the Union asserts.

**POSITION OF THE EMPLOYER:** The Employer proposes institution of a five dollar per month (\$5.00) employee payment towards single family health insurance. It is the case that the Employer will experience an 8.5% increase in health insurance costs commencing July 1, 2011. In the past 13 years its health care costs have trebled. Plan design and funding mechanisms have been altered in an effort to minimize the inexorable increase in health care costs. The five dollar (\$5.00) payment is small in an absolute sense and it is capped. That is, the proposal of the County is in dollar terms, not percentage which opens the door to potentially open-ended payment increases.

It is the case that other County employees pay towards their single coverage health insurance. Employees represented by AFSCME pay \$7.50 per month towards single coverage. They have been paying towards single coverage since 2005. Non-represented employees pay towards single coverage as well. Over half of all county employees, represented and non-represented alike, will be paying for single health insurance coverage effective July, 2011. As seen by the Employer it is unreasonable for employees of the Sheriff's Department represented by PPME to have a favored status.

It is the case that employees of some comparable counties, e.g. Clinton and Dubuque, pay nothing for single coverage health care. In those counties where employees pay something towards single coverage the average monthly payment is \$12.50. Were its proposal to be adopted employees of the Johnson County Sheriff would continue to be advantaged *vis a vis* their counterparts elsewhere in the area who are paying for single coverage health insurance. For these reasons the Employer urges an award on its behalf on this issue.

**DISCUSSION:** This issue is inextricably linked to the issue of wages, above. Members of this bargaining unit will receive a wage increase above the rate of inflation. That increase will be above that received by their colleagues elsewhere in the region. Set against that is the small payment towards single health insurance coverage sought by the Employer. It is emphasized that payment is small. Further, it is a flat dollar amount, not open ended as would be the case with a percentage of premium payment. Finally, it requires no lengthy recitation to point out that health insurance rates have increased substantially. Immunity from such increase by virtue of family status should not be expected.

It is the case that in negotiations there is the concept of the *quid pro quo*. As cited by the Union, distinguished neutrals have eloquently expounded upon it. In the course of events a trade-off is expected. In this case there is a trade-off: a three percent (3.0%) wage increase. In these parlous times an increase of such magnitude is considerable. Per Union Exhibit 20 the average wage increase among comparison county settlements reached to date is 2.93%. Significant as well are other settlements in the immediate area. In Iowa City police received 1.35% on June 27, 2010 and 1.5% on



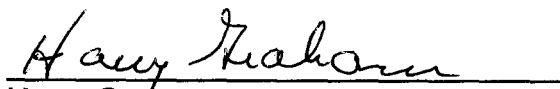
December 26, 2010. Insurance was changed to reflect a \$20.00 per month single payment to be made by employees. The small payment towards single coverage health insurance sought by the Employer in this proceeding is unexceptional.

Comparison data are mixed on health insurance. Of five counties (excluding Johnson) two, Black Hawk and Linn, require employee payment towards the cost of single health insurance. The other three do not call for payment. There is support for the position of the Union but it is not conclusive.

Offsetting this is the fact that AFSCME-represented County employees pay \$7.50 per month for single coverage health insurance. Further, they have been making payment for such coverage since 2005. Why AFSCME-represented employees should make such a payment and PPME-represented employees do not is difficult to fathom.

The record of negotiations on this issue is instructive. The parties have agreed upon a five dollar (\$5.00) per month increase in the amount to be paid by employees towards family health insurance. That amount will increase from \$35.00 per month to \$40.00 per month. No cogent reason exists why employees enrolled in single coverage should not experience the same sort of payment. That is particularly the case when both groups of employees will receive the same three percent (3.0%) wage increase. The proposal of the Employer regarding the five dollar (\$5.00) per month towards single family health insurance is awarded.

Signed and dated this 2<sup>nd</sup> day of February, 2011 at Solon, OH.

  
Harry Graham  
Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 2<sup>nd</sup> day of Feb, 2011, I served the foregoing Award of Arbitrator upon each of the parties to this matter by (\_\_\_\_\_ personally delivering) (X mailing) a copy to them at their respective addresses as shown below:

Joe Rosmusen	Lora Bhornek	Judith Perkins
PO Box 219	913 So. Aukque St	1321 Call St.
Des Moines, Ia 52333	Iowa City, Ia 52240	Iowa City, Ia 52246

I further certify that on the 2<sup>nd</sup> day of Feb, 2011, I will submit this Award for filing by (\_\_\_\_\_ personally delivering) (X mailing) it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, IA 50319.

Harry Graham

Harry Graham, Arbitrator  
(Print Name)

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